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TO RUEHC/SECSTATE WASHDC 1682
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUCNDT/USMISSION USUN NEW YORK

UNCLAS SOFIA 000465

SIPDIS

STATE FOR IO/PSC/LIZ PARKER

SENSITIVE SIPDIS

E.O. 12958: N/A

TAGS: PREL KFIN PGOV I2 BU

SUBJECT: BULGARIA'S RESPONSE TO THE INDEPENDENT INQUIRY
COMMITTEE FINDINGS

Ref: STATE 40595

I1. (U) Per reftel, we are submitting information on the actions of the Bulgarian government as a result of the information discovered by the Independent Inquiry Committee (IIC).

I2. (U) In response to the release of the USG's "Duelfer Report," the 39th Parliamentary Assembly of Bulgaria (2001-2005) established a temporary Parliamentary committee on February 25, 2004. The committee was charged with collecting and examining information relating to allegations of illicit financing of the Bulgarian Socialist Party (BSP) by the Iraqi government through the Oil-for-Food program. The Committee was comprised of 17 Members of Parliament and led by Borislav Ralchev from the National Movement Simeon Second (NMSS). While the committee was initially supposed to exist only for a month, its activities continued for 15 months, and the number of its members grew from 17 to 21 MPs due to the size and complexity of the work. The Bulgarian government decided that, given the work and findings of the Committee, there was no need to open a wider investigation when the U.N.'s IIC report was subsequently released.

I3. (U) During the course of its work, the Committee obtained extensive documentation from various official and unofficial institutions, and conducted interviews with 14 officials. It issued its final report on May 17, 2005, and confirmed that four Bulgarian companies had participated in the Oil-for-Food program, but found no legal justification for pursuing charges against them "simply because they were involved in the program." To date, the Bulgarian government has taken no legal actions against the named companies. The report determined that BSP was registered as a beneficiary of oil vouchers on the lists of the Iraqi oil company SOMO, but found no evidence that BSP was financed by the regime of Saddam Hussein through the Oil-for-Food program.

I4. (SBU) At the Bulgarians request, we provided a substantial number of source documents from the Duelfer report, but these failed to shed any additional light on the specific transactions of BSP related to the Oil-for-Food program.

BEYRLE